



# Cheaper Rx from Canada is closer in Vt.

THE ASSOCIATED PRESS

MONTPELIER — The Vermont House has passed a bill that would allow the state to import cheaper prescription drugs from Canada.

The bill had strong support, passing in a vote of 141-2, Vermont Public Radio reported.

The bill will create a state entity that acts like a wholesaler and buys the drugs in Canada and then sells them in Vermont pharmacies,

said Rep. Bill Lippert, D-Hinesburg.

The measure was driven by the skyrocketing costs of prescription medications, he said.

"It's just impossible to access them unless you have really adequate health insurance, and sometimes even having adequate health insurance is not sufficient," he said.

Before the plan can be implemented, a waiver from the federal government is needed, which Lippert hopes will happen next year, given that President Donald Trump promised in his campaign to reduce prescription drug costs.

The deal is expected to save residents millions.

"The proposal is to be able to import safe,

**"Sometimes even  
having adequate  
health insurance  
is not sufficient."**

Rep. Bill Lippert

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## Canada

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reliable, cheaper prescription drugs," Lippert said.

While opponents have

claimed Canadian drugs aren't safe, Sen. Claire Ayer, D-Addison, has called that claim "baloney" because a large number of Canadian prescription drugs are made in the United States.

The concept of importing prescription drugs in order to save money is not new. Bernie Sanders, then Vermont's representative in the U.S. House, took busloads of people to Canada in 1999, where doctors

wrote them prescriptions for drugs that cost a fraction of what they would have paid for them in the U.S.

Sanders, now an independent U.S. senator, introduced another

proposal last year to allow drug importation from Canada.

Federal law was changed in 2003 to allow the secretary of the Department of Health and Human Services to authorize the

importation of prescription drugs, but such permission has never been granted.

The Vermont bill will return to the Senate, where lawmakers will consider either passing the House version or making changes.

# Trump Is A Symptom; The "Resistance" Should Act On Causes

David Brooks wrote in The New York Times:

"Over the past year, those of us in the anti-Trump camp have churned out billions of words critiquing the president. The point of this work is to expose the harm President Trump is doing, weaken his support and prevent him from doing worse. And by that standard, the anti-Trump movement is a failure..."

The "resistance" is ignoring the problems in our country, which led so many of us to vote for obnoxious Trump. Many of these are the same problems which led Democrats to vote for socialist Bernie Sanders in the primaries. Eight years earlier many of the same people who voted for Sanders and Trump gave the Democratic nomination and the presidency to the extremely inexperienced Barack Obama because he represented "change". Twice the country rejected Hillary Clinton (and John McCain and Mitch Romney) because they are all part of the establishment which is the cause of many of our problems.

Personally, I have little to complain about; America has been good to me and good for me. But I've come to realize that "the system" is corrupt in a very bipartisan way. The deck is stacked for certain people, so success for others is harder and harder to come by. No wonder people are angry and afraid.

Examples:

Exhibit Number One: The outrageous bank bailout (TARP) at the end of the Bush administration and the beginning of Obama's. It was Congress' last major bipartisan act. In normal times the rich get richer; in recessions and depressions the rich get poorer

faster, perhaps because they have more to lose.

The economic cycle does a much better job of wealth redistribution than politicians. But not last time: the bankers' gains, ill-gotten or not, were protected; workers lost. Certain unions like the United Auto Workers (as much a part of the establishment as CitiBank) got bailed out by the "Stimulus Package". The rest of the country hasn't really recovered until now.

Exhibit Number Two: The political clout of the National Education Association (teacher's union) has enabled it to prioritize job salvation for its members over an effective education system. It's not wrong for a union to try to protect its members; it's wrong for politicians to conspire with the union to the massive detriment of education for Americans.

Exhibit Number Three: Pensions. In both the public and private sector, employer executives and union executives have conspired to promise workers retirement benefits which will be impossible to deliver but for which the bill won't come due until the co-conspirators have gone on to their own golf courses. We will bail out some of the private sector workers; there simply isn't and won't be enough money to keep the promises made to public sector workers.

Some smaller examples: The perpetual mandates and subsidies for corn ethanol for the good scientific reason that Iowa has the first primary in the nation. The tax loophole for hedge fund managers that neither Republican nor Democratic administrations can ever get around to closing. Gov-



ernment-by-grant: I get you a grant through legislation or influence and you give me a campaign contribution, often in the opposite order. The Export-Import bank whose purpose is to subsidize a few large corporations like GE and Boeing.

Although neither Trump nor Sanders agree that these are all problems, each of them has targeted more of this list than Hillary Clinton did or does. As long as outrages like these continue and as long as Americans are denied the opportunity for an excellent education, a fair shake at upwards mobility, and protection from corporate and union monopolies, people will be - and should be - angry.

As long as Americans are angry and feeling helpless, they will vote for those who seem to feel their pain and share their disdain for the establishment. Fear is a perfect opening for demagogues of both the left and the right. Choices made by fearful people will lead to an erosion of civil liberties. Neither Trump nor Sanders caused the problems which scare people; both know how to harness resentment; neither hesitates to fan the flames of division in their own interest. But they do hear what their supporters are saying.

Those who focus on blind resistance are missing the point that Trump is a symptom, not a cause. If we want to be effective in preventing the rise of demagogues, we must address the problems which give rise to them.

Brooks concludes:

"The main reason Trump won the presidency is that tens of millions of Americans rightly feel that their local economies are

under attack, their communities are dissolving and their religious liberties are under threat. Trump understood the problems of large parts of America better than anyone else. He has been able to strengthen his grip on power over the past year because he has governed as he campaigned.

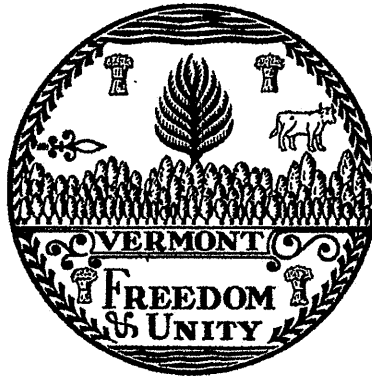
"Until somebody comes up with a better defense strategy, Trump and Trumpism will dominate. Voters are willing to put up with a lot of nonsense for a president they think is basically on their side.

"Just after the election, Luigi Zingales wrote a Times op-ed on how not to fight Trump, based on the Italian experience fighting Silvio Berlusconi. Don't focus on personality or the man, Zingales advised. That will just make Trump the people's hero against the Washington caste. Focus instead on the social problems that gave rise to Trumpism.

"That is the advice we anti-Trumpers still need to learn."

Anti-Sanders people need to learn the same lesson. Think a socialist president is unthinkable? That's what we thought about Trump when he announced his candidacy.

*Tom Evslin recently retired as CEO of NG Advantage LLC. He formerly served as Vermont's Chief Recovery Officer to co-ordinate federal stimulus funds; was Chairman and CEO of ITXC Corp.; conceived, launched, and ran AT&T's first ISP, AT&T WorldNet Service; and managed server products for Microsoft. His regular blog, Fractals of Change, can be found at [blog.tomevslin.com](http://blog.tomevslin.com)*



# Articles of Interest

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# Gov. Scott wants lawmakers to stay into overtime

April McCullum  
Burlington Free Press  
USA TODAY NETWORK

Gov. Phil Scott is suggesting lawmakers should remain in Montpelier an extra week or two in order to adopt his new education finance proposal.

Scott's administration unveiled the proposal Tuesday to a chorus of Democrats complaining that it came too late.

The General Assembly has no formal cutoff date, but the Legislature has been expected to break camp when its operational budget runs out next week.

At a news conference Thursday, Scott suggested that



Gov. Phil Scott

key committees should continue working on his plan for a couple of weeks. Other lawmakers could go home, Scott said, then return to vote on a final agreement.

"If we worked on this for a week or two diligently, I believe we could come to consensus," Scott said.

Scott has promised to veto this year's tax bill if it allows education property taxes to rise. He wants to use \$58 million in one-time money to avoid a tax rate increase and has also pitched other long-term policy changes that he says would save millions more.

Senate President Pro Tempore Tim Ashe has previ-

ously predicted that the Legislature would wrap up on or around May 12, but on Thursday his chief of staff said

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## Vermont

### Lawmakers

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it was "impossible to say" when the session would end.

Ashe released a statement calling the Scott administration out of step with the Legislature's bipartisan work on the budget and tax bills.

"The Governor's practice of governing by tweets and last second, unvetted proposals is a total departure from previous

administrations, Democratic and Republican," Ashe said in a statement.

In 2017, a similar showdown over education spending led Scott to veto the state budget and tax bills. Lawmakers returned to Montpelier for a special veto session in June.

Contact April McCullum at 802-660-1863 or [amccullum@freepressmedia.com](mailto:amccullum@freepressmedia.com). Follow her on Twitter at @April\_McCullum.



# State scales back rates for net metering

By KATHRYN THRELKELD  
CORRESPONDENT

MONTPELIER — The Public Utility Commission has set a lower rate for new net-metering projects in Vermont.

In a ruling released Thursday, the PUC says it has to balance the need to promote renewable energy with protecting customers from

higher rates. The state's net-metering program allows people and companies to get a credit on their electric bill for renewable energy projects. The first biennial update of Net-metering 2.0 went into effect Tuesday, and solar advocates have come down hard on a decision to gradually reduce the renewable energy credit adjuster.

According to the ruling, many of the approximately 400 public comments expressed concerns over a slowdown in solar development in Vermont as a result of net-metering rule changes. In a specific response to Renewable Energy Vermont's comments that "now is not the time to hit the brakes or slow solar adoption in Vermont, rather we should

be looking to take a more bold position," the PUC stated: "This argument conflates net-metering with solar development generally. As the Department and the distributed utilities pointed out, there are more cost-effective ways for Vermont to develop solar resources

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## Rates

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than continuing the current net-metering incentives."

The commission's findings point to the ambitious goals the state has set and that managing how those goals can be effectively met includes taking into consideration the costs of different parts of Vermont's renewable energy portfolio. They note that in the first four months of this year they've received over 675 applications for new net-metering systems, totaling more than 16 megawatts of new capacity (not including applications for additions to existing capacity), concluding that interest in net-metering remains high despite industry warnings about negative effects from Net-metering 2.0.

"Renewable energy is flourishing in Vermont and has reached a level of maturity where it can continue to be deployed with lower incentives," the order stated.

"(T)hese changes will help allow the selection of resources to meet the requirements of the RES to be primarily driven by competitive forces, not incentives set by the commission," the order stated.

The PUC sets rates for net-metering projects based on their size and whether the project is located on a "preferred" site, such as landfills or rooftops, as opposed to previously undeveloped



Lower net-metering rates may be in store for future solar projects. These are photovoltaic arrays on the roof of College of St. Joseph of Rutland.

land. In the size category that most residential customers would use — projects up to 15 kilowatts — the rate will go down slightly over two years.

Rates will also go down for larger, up to 150-kilowatt projects, located on undeveloped land, and slightly more for the largest projects — up to 500 kilowatts — on

"preferred" sites. Those systems had been dinged due to their size.

The decision to change the adjusters is offset somewhat for many customers as the commission has also increased the base rate for net-metered compensation by a half-cent.

A news release from SunCommon, one of

the state's largest solar installers, indicates the new rules will equal a decrease in value of a homeowner's solar system by \$750.

"Our mission at SunCommon is to tear down the barriers to clean energy. Decreasing Vermont's solar incentive while President (Donald) Trump is promoting dirty

coal and our climate is baking is wrong," said James Moore, one of SunCommon's co-founders, in a news release.

Ben Edgerly Walsh, climate and energy program director for the Vermont Public Interest Research Group, had similar sentiments stated in written comments to the media: "In the past year, the Scott Administration has pushed for cuts to Efficiency Vermont, the elimination of the Clean Energy Development Fund, a functional ban on wind power, and a new tax on EV charging — all while the Trump administration put a tariff on solar panels, rolled back the Clean Power Plan, and attacked fuel and appliance efficiency standards. This decision to further slow renewable energy in Vermont in the face of these attacks on climate action ignores that context and the fact that we need to speed up our action on climate — not hit the brakes."

Riley Allen, deputy commissioner at the Vermont Department of Public Service, highlighted the PUC's efforts to operate within the legislative framework they were given — namely to balance the pace of Vermont's renewable energy development, of which solar net-metering is but one part, with costs to other ratepayers.

"I think there is a tendency for advocates to focus on net-metering to the exclusion of all the other tools and mechanisms and avenues for increasing our reliance

on renewables," said Allen. "The order reflects a good balance of consideration and recognition that there are multiple pathways, and net-metering is certainly not the least-cost pathway. I wouldn't say this ruling is putting on the brakes. They're reducing the above-market incentives that were used to help move the market in this direction."

Vermont's solar industry has seen significant growth, with more than 200 megawatts added in renewable generation capacity under the program over the last decade alone.

"It is a complex area," Allen said. "There are a lot of puts and takes and we've had a fairly short period of time since the new rule (Net-metering 2.0) was put in place, so it's difficult to be too ambitious in the adjustments that are made with so little experience and information. I think the commission did a fine job of collecting and recognizing all the information that was available to provide what I thought was a well-balanced decision."

The ruling also included directions to staff regarding the development of standardized data forms, an application checklist and an application guidance document for the Certificate of Public Good application process, as well as a direction for the hearing officer to develop recommendations for changes to Net-metering 2.0 to simplify the CPG application process and preferred sites.

## LOCAL

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# Legislature passes voter checklist bill

By COLIN FLANDERS

A bill introduced by Essex Jct. Rep. Dylan Giambatista that would protect voter checklists from being shared with federal agencies or foreign governments is heading to Gov. Phil Scott's desk.

The bill, H.624, would prohibit government employees from releasing various forms of personal information kept on state and town checklists with agencies like President Trump's Election Integrity Commission, which sparked widespread concern last year after it requested states to turn over voter data.

"It's a first step to making sure that making sure that voter and personal information in Vermont is not used in a way that many of our neighbors told me was unacceptable," Giambatista said.

After passing the House in February and advancing through the Senate with a minor amendment, the bill was back before the House on Tuesday morning, where it passed without issue. Scott will now have five days from the day it reaches his office to either stamp his approval, veto or let it become law without his signature.

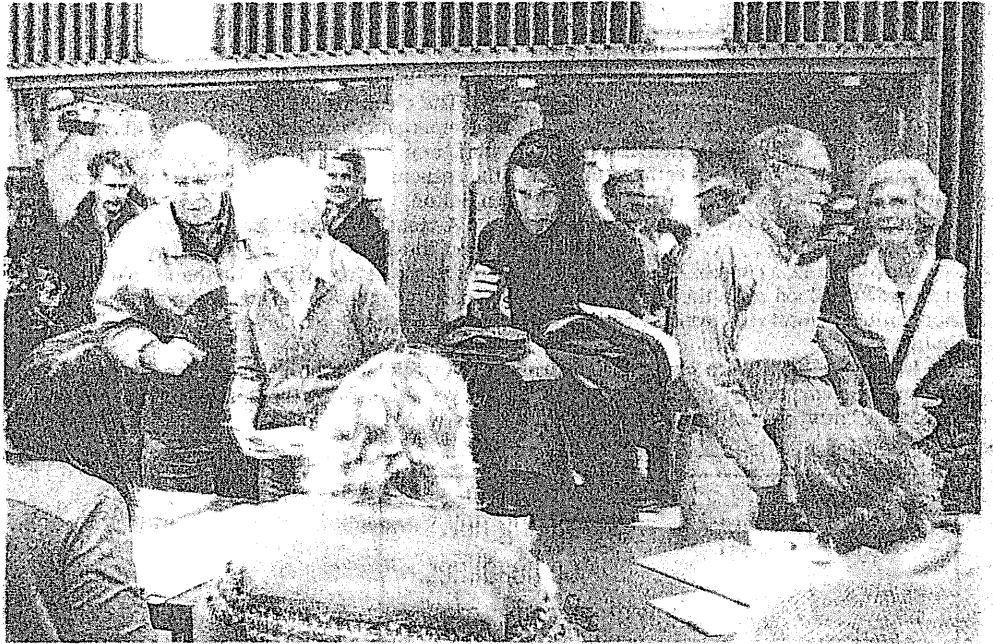
The commission, which Trump disbanded via executive order in January, sought personal data including birthdates and Social Security numbers. Giambatista said some residents considered disenrolling from the checklists over fear of the commission obtaining such information.

Vt. Secretary of State Jim Condos' office fielded similar concerns, according to his deputy secretary, Chris Winters. Winters said the office tried to talk dozens of Vermonters out of removing themselves from the lists by assuring there was no plan to release their data.

"It was really heartbreaking to hear people have to make that choice," Winters said. "No one should have to make that choice."

Last year, Condos called the commission a "waste of taxpayer money" and said Trump's voter fraud claims were nothing more than a "systemic national effort of voter suppression and intimidation."

Still, he initially said he was legally obligated to provide some of the information under Vermont's public records law. He shifted his stance a week later, citing concerns with the



FILE PHOTO

A new bill that's advanced through the legislature would prohibit voter checklists from being shared with federal agencies or foreign governments. Essex Jct. Rep. Dylan Giambatista, who sponsored the bill, said he heard from residents who were concerned their information could be shared with President Donald Trump's now-disbanded Election Integrity Commission.

commission's authority and plans for the data, making Vermont one of 44 states to refuse the request.

Winters said Condos feared the commission planned to use the checklists to carry out an aggressive purge and "undermine the public's confidence in elections."

Some data on voter checklists is considered a public record, but state law requires a signed affidavit stating requesters don't plan to use the list for commercial purposes to prevent usage by telemarketers or data miners, Winters said.

The new bill would further restrictions by denying any release to federal and foreign entities looking to either create a registry, publicly disclose the list compare it to other state or federal databases. It would also require individuals to sign an affidavit stating they will not share

the lists with agencies seeking them for those purposes.

The bill's passage would mean Vermont is poised to deny any future request for checklists from federal agencies and sets the potential for a conflict between the state and federal government.

Winters and Giambatista said they worked with the attorney general's office to ensure the bill could withstand legal scrutiny. And Winters said while Trump's commission is no longer active, there's no telling what future administrations may ask of Vermont.

"This is not about Donald Trump," Winters said. "This is about protecting voters' private information. It doesn't matter who's sitting in the White House. We thought this was a federal overreach."

# Scott Presents 5-year Plan to Improve Education Quality, Hold Down Taxes

✓ NDE pg. 1 05/02

Vermont Business Magazine - Governor Phil Scott and his Administration today presented a five-year plan that intends to revitalize Vermont's education system by generating nearly \$300 million in savings that can be used to provide tax relief, expand educational opportunities like early care and learning and technical education, while improving overall quality - without raising tax rates. Further, it would reverse deficit growth and stabilize education tax rates for five years. Of the savings, most will come from reducing student-staff ratios, Special Education and health insurance.

This package uses ideas from the Administration, Legislature and education stakeholders, many of which are already moving forward at the State House.

Among those include modest revenues in the coming fiscal year 2019, but accelerating in future years by using school staff attrition to reduce student-staff ratios (over \$30 million in savings a year and grow to over \$70 million per year by 2024); adjusting special education costs (save \$34 million by 2024);

continuing work on a statewide health plan for teachers and staff; and change the current income sensitivity components passed by the House in H911 by lowering the threshold from \$500,000 in home values to \$400,000.

"We all share a goal to provide our kids with the best education possible and have committed tremendous resources to K-12 education. The challenge lies in consistently declining enrollment and an old and inefficient infrastructure, which is diverting investments away from kids and causing taxes to increase at unsustainable rates," said Scott. "Vermont has great schools and teachers and delivers quality education to our students. But we can do better, and this plan will help us achieve our goals."

Since his inaugural address, Scott has highlighted Vermont's shifting demographics, including student enrollments that have declined by nearly 30,000 in the last 20 years, and has put forward a number of proposals to improve efficiency and quality of the system to address this challenge.



# Current wage structure better for all

by Lindsay H. Kurrle, commissioner, Dept. of Labor

As the Commissioner of the Department of Labor and the former owner of a small gas station and convenience store, the conversations on minimum wage are something I've followed and evaluated closely for years, understanding both the impact on hard-working Vermonters and small businesses.

I don't know anyone involved in these discussions that disagrees with the intent of the Legislature's proposal to add another increase to minimum wage. Higher wages for working Vermonters are something everyone can support. The vital question is whether their proposal, overall, will have a more positive or negative impact.

It's important to note that Vermont's minimum wage is currently scheduled to increase every single year, in perpetuity, to keep pace with increasing costs of living. This automatic increase is based on specific economic indicators, so it's supported by growth of the economy. In contrast, the Legislature's proposal mandates a specific and arbitrary increase to \$15 an hour — a magnitude the Legislature's economist characterizes as "unchartered territory," meaning it's the most significant jump on record.

The facts have made it clear: Mandating an artificial increase to the minimum wage, on top of already scheduled increases, is not the right approach to help working Vermonters or strengthening our economy.

Here are a few reasons why: Given the goals of this legislation are to increase the total income of working Vermonters, let's start there. Studies of artificial hikes to the minimum wage show these increases have reduced employment for entry level and low skill workers. In Seattle, a study conducted by the University of Washington found low-wage jobs declined by 6.8 percent when the minimum wage was significantly increased. Perhaps most shockingly, because of a 9 percent reduction in hours, total net income for low wage employees fell by \$125 per month, or \$1,500

annually. Put simply — the data shows minimum wage hikes led to lower incomes, fewer hours and fewer jobs.

The Legislature's own analysts also say their proposed artificial increase will result in thousands of job losses. They also predicted it will result in higher prices for consumers and estimate 2,000 families with 3,000 children will lose their child care financial assistance due to their proposal.

Each of these things will harm the very people this bill claims to help. Further, given the "unchartered territory" we'd be entering, the negative impact on our small businesses is concerning, especially considering 90 percent of all Vermont businesses have fewer than 20 employees.

A minimum wage hike that is faster than the current annual increase will hurt mom and pop shops in rural Vermont. This will be worse along the eastern border of our state where Vermont's minimum wage would be 107 percent higher than New Hampshire's. Small businesses in this region — already struggling against our sales and income tax free neighbors — would be unable to compete. Maybe the Burlington area could afford an artificial minimum wage spike, but most communities in Vermont cannot.

Finally, there are numerous unanswered questions. For example, how would another increase in the minimum wage effect our nonprofit organizations, schools and jobs for youth?

Vermont already has the sixth highest minimum wage in the country. Despite already having one of the highest minimum wages in the country, problems of poverty and wage inequality continue to grow. Given the risks to workers, consumers and the economy, we need to understand the impacts before we go further. And — having just been through four years of legislatively imposed hikes and with another increase set for next year — we have the opportunity to do that.

It is the priority of the Department of Labor to help Vermonters towards a path of long term and sustainable employment, and we can achieve this and economic prosperity for Vermonters by

investing in workforce development, training and education and by helping workers get the skills and credentials they need to fill the hundreds of jobs that are open that pay well above minimum wage.

Let's work together to create a true improvement by investing in workforce development, education and training, without making the challenge bigger for low-income workers and our economy as a whole.

*Lindsay Kurrle is a small business owner and the commissioner of the Vermont Dept. of Labor.*



✓ NR 5/3 8-2

## Veteran Suicide Awareness Has Focus on Treatment Available

Suicide is one of the 10 leading causes of death. In the United States, over 42,000 people kill themselves every year and 18% of them are veterans. On average, 20 veterans a day die from suicide. The suicide rate for Vermont veterans is more than three times higher than that of the average U.S. citizen.

The VA and one Vermonter, Valerie Pallotta, are working together to raise awareness about veteran suicide and to educate communities on ways to prevent suicides among the veteran population. The Vermont State House passed resolution H.C.R. 237, which designated April 2018 as Veterans Suicide Awareness Month in Vermont.

The Dept. of Veterans Affairs is aggressively undertaking new measures to prevent suicide, and the staff of the White River Junction VA Medical Center has made a commitment to this being a top clinical priority. Through expansion of the 24/7

Veteran Crisis Line, 1-800-273-8255 PRESS 1, the VA is using predicative analysis to identify those at risk and to intervene early. They have also focused on bolstering mental health services for women, expanding elemental health services to better reach veterans living in rural areas, and on creating innovative public-private partnerships.

Most people who die from suicide have a treatable mental health condition such as depression or PTSD, or are struggling with substance use at the time of their death. Of the 20 veterans a day who die from suicide, only six are receiving care at the VA.

A resource called Coaching Into Care assists family members and friends in helping a veteran seek care. Male veterans who access VA care are three times less likely to kill themselves than those who do not, while female veterans who access VA care are 21 times less likely to kill themselves than those who do not.

## **FARMS MAY RECEIVE ✓ ADDITIONAL HELP FROM STATE IN BUDGET**

Politicians in Montpelier are looking to increase funding to help struggling farmers within the state, adding \$700,000 to the state's budget. The bills language, added to state budget, allocates the money to help farmers pay for their presence in the Margin Protection Program (MPP).

The hope is that the state will be able to subsidize about 25% of the cost of the insurance for the farmers, and that would be retroactive to January 1st.

The proposal would increase the amount of milk allowed from 4 million to 5 million pounds, lower the premium paid by many farmers, allow signups for the full year of 2018 up until June 1st, give retroactive payments back to January 1st, change payments from a two month average to a one month average, and waves the \$100 administrative fee.

The measure is a last ditch attempt to give farms some financial relief, through the state's budget, in a time when most farmers are finding it too challenging financially and regulatorally to continue.

The line item in the budget is just one of the dozen or so major changes to the state's funding

from last year. The others include adding \$2 million to a waiver program that provides 3,000 Vermonters with disabilities support, more than \$300,000 to attract primary care doctors and nurses to the state's rural areas, \$4.3 million in mental health treatment funding, and \$600,000 to help low income residents with medical payments, including co-pays.

The state is utilizing about \$35 million in one time funds from a tobacco settlement to help fill the gap in spending this budget year. \$10 million of that money is slated to be used to pay off teacher pension liabilities, esimated to save the state \$30 million in the future.

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# Plan pitched to fix school funding gap

By COLIN MEYN  
AND ANNE GALLOWAY  
VTDigger

The Scott administration proposed a plan Tuesday to plug a \$58 million hole in the education fund with \$19 million from a tobacco settlement, \$20 million from state surplus revenues, \$7 million in reserves and \$12 million from other sources.

The money will be paid back over time, mainly by asking schools to reduce the size of educational staff over the next five years, according to Susanne Young, secretary of the Agency of Administration.

If the lawmakers and the Scott administration don't fill the funding gap — which was created due to the use of one-time money last year

— taxpayers will be on the hook for about a 5-cent to 7-cent increase in property taxes this coming fiscal year.

Gov. Phil Scott is sticking to his no-new-taxes campaign pledge and adamantly opposes a property tax increase. His administration says that a short-term funding solution this year, combined with longer-term commitments to cost-containment measures, can keep taxes stable for years to come. Reducing school spending and putting a lid on the property tax rate is central to that promise, Young says.

"We have a perennial challenges with deficits, with a declining student population, we are very enthusiastic about the fact we have drawn on bipartisan ideas," Young said.

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# Funding

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Lawmakers immediately opposed the plan. The legislative session is set to end on May 12, but Senate leader Tim Ashe is skeptical about how the Legislature and the Scott administration will resolve their differences. Scott has threatened vetoes over any increases in taxes or fees; Senate leader Tim Ashe has said he will not schedule a veto session.

"We'll work with the administration in the coming days, but I already see the storm clouds moving in," Ashe said.

The one-time funding proposal not only reins in rates at 2017 levels for the coming fiscal year; it is also part of a plan that keeps rates level over a five-year period by reducing school teaching and paraprofessional staff statewide by about 500 positions a year, or about 2,500 jobs, through retirements and other job vacancies. There are about 18,000 educational workers in the state.

The savings over the five-year period, would be about \$262 million, according to estimates from the Department of Finance and Management.

Scott says the reductions in force through attrition are necessary because of the 25 percent decline in student enrollments over the past 20 years. There are currently 76,000 students in Vermont, down from a high of 104,000. The Agency of Education estimates that number will drop to 69,000 students over the next five years.

"Stepping back as to why we have to act, and it is important for all of us to come to consensus and act now, Vermont has great schools and great teachers and delivers a great education, but demographic challenges contribute to a K-12 educational system that is inefficient, outdated and unaffordable," Young said. "It is actually denying opportunity to kids if we do nothing."

Young and Heather Bouchee, the interim secretary of the Agency of Education, say they will form a task force that will help schools adapt to fewer personnel and restructure programs.

The governor has said that the aver-

## "Demographic challenges contribute to a K-12 educational system that is inefficient, outdated and unaffordable. It is actually denying opportunity to kids if we do nothing."

SUSANNE YOUNG, *Agency of Administration.*

age statewide staff to student ratio at the current ratio of 1 to 4 is too low. In his proposal, the administration estimates that the state could save \$262 million over five years, starting in fiscal year 2020, if the ratio is ratcheted up first to 1 to 5.15, and eventually to 1 to 5.75.

Instead of proposing an explicit mandate for the higher staff to student ratios, Young and Bouchee say the administration will work with school boards, lawmakers and other stakeholders to shift the statewide ratio.

But there is a hammer in the plan — the school excess spending threshold for per pupil spending, which is now set at 121 percent of the statewide average, would be lowered to 110 percent. Schools that spend above that level pay tax penalties.

Both Senate President Pro Tem Tim Ashe and Speaker of the House Mitzl Johnson have rejected the idea of one-time funding to plug the education fund hole this year. They have said that will only exacerbate the state's school spending woes, as it would essentially create the same problem next year by artificially buying down taxes this year.

In addition, the Senate had already earmarked the \$24 million in anticipated surplus for programs in the budget. The House spent tobacco money on mental health and other investments.

Ashe and Johnson have also objected to mandated staff-to-student ratios. The Senate leader and House Speaker are holding a caucus and a press conference, respectively, in response to the plan this afternoon. The governor pitched his proposal to them earlier in the day.

Ashe says there might be a need for some one-time money to reach a deal, but that \$58 million in one-time money would be "unprecedented."

"I think the Senate for sure will have to think long and hard before it agrees to use \$58 million in one time money to buy down rates for one year," Ashe said, especially considering the other things it could be used for.

"This would really scoop from almost every reserve we have for the purpose of delivering that tax pledge from the governor," Ashe said. "It would certainly be going in the opposite direction from what those ratings agencies are looking for."

Johnson says Vermont should be saving some of its reserves rather than spending it all during a period of economic growth.

"At some point, we'll start seeing a downturn, and when I was on appropriations committee on first years, I remember really wishing that we had some sort of spendable reserve... rather than just cutting willy nilly," Johnson said. "I want to make sure that we are preparing ourselves for something that is going to be a rainy day."

The higher staff to student threshold is the source of the greatest savings in Scott's plan, which estimates that it will achieve \$32 million in savings in FY20 and \$74 million by FY24, according to an outline of the education funding plan given to reporters at a press conference Tuesday afternoon.

The other major sources of savings would come from a transition to a new special ed payment method and statewide healthcare bargaining for teachers and other school employees. None of the new initiative are expected to create any savings in FY19.

The transition to statewide healthcare bargaining is projected to create \$6 million in saving in FY20, which increases to \$16 million by FY24. The new special ed system would create \$2 million in savings, sliding up to \$34 million in 2024.

Healthcare bargaining was a major

sticking point leading to last year's veto session; however the teacher's union recently came forward with its own proposal for a statewide system that would replace the current oversight body. Whether that plan leads to a compromise with the administration remains to be seen.

The budget currently under consideration by the Senate has an estimated \$24 million in surplus at the close of FY18. Almost all of that would go to education funding.

The total tobacco settlement brought a total of \$34 million into state coffers, but \$14 million was already earmarked for opioid addiction treatment programs.

The Senate's proposed budget included a number of programs to support children and vulnerable using that settlement funding.

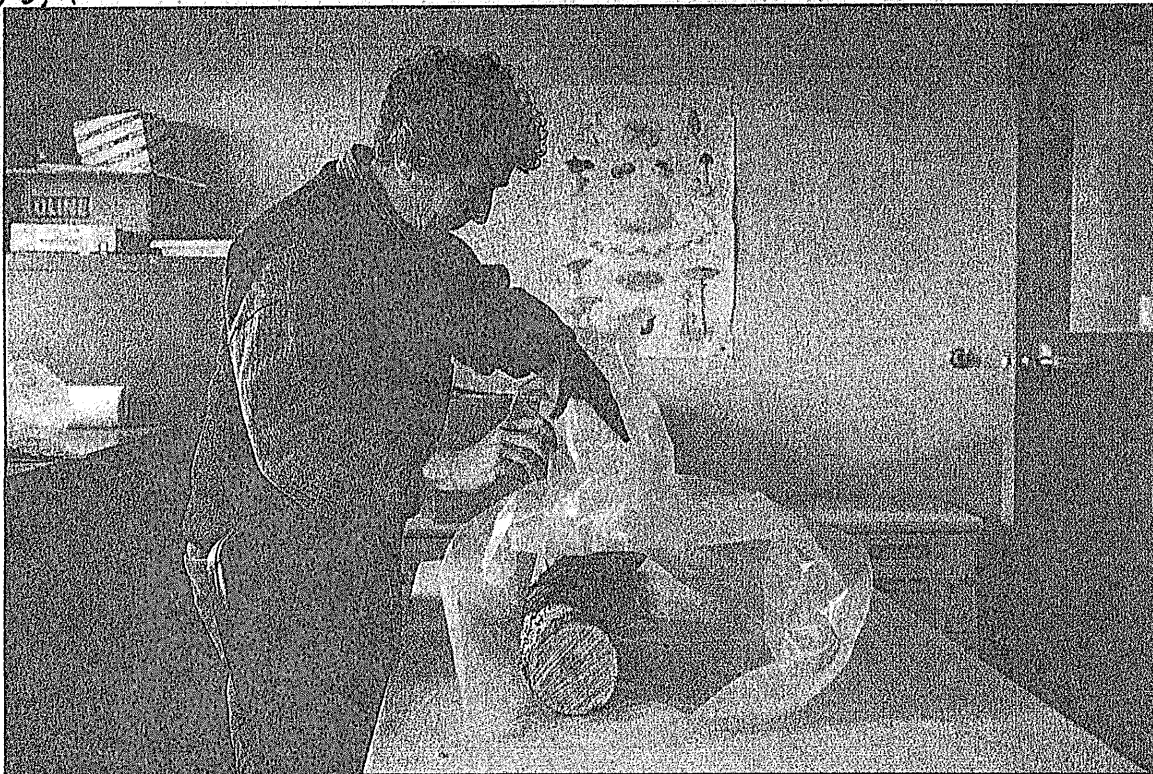
The full spending plan is as follows:

- \$19 million from \$34 million received in tobacco settlement funds
- \$20 million in FY18 General Fund surplus revenues (8.6 million as suggested in Senate windfall language for FY18 Education • Fund Budget Stabilization Reserve)
- \$7 million from the General Fund Balance Reserve
- \$4 million in direct application from special funds
- \$2 million in direct application from the Department of Financial Regulation non-smoothing
- \$2 million reversion from Pay Act and reclassifications appropriations
- \$2 million in expected Education Fund carryforwards
- \$2 million in savings from changes to out method of calculating property tax adjustments, as proposed in H.911

Over time, the plan is expected to reap savings tens of millions of dollars in savings from K-12 public schools that would be used for investments in higher education and early education programs, both of which have been starved for funding.

The Scott administration says the proposal accounts for 3.25 percent annually increases on average in the education fund, primarily from growth in the grand list.

VALLEY NEWS  
— JAMES M. PATTERSON  
Judy Rosovsky, state entomologist for the Agency of Agriculture, Food and Markets, wraps an ash log on Tuesday in her lab in Berlin, Vt. The log, cut in Orange, Vt., contains evidence of emerald ash borer activity. Following a survey of towns bordering the four-town area where pest activity has been confirmed, officials met in Berlin Wednesday to plot next steps.



# Vermont Considers Quarantine

## Officials Weigh Ways to Manage Impact of Invasive Ash Borer

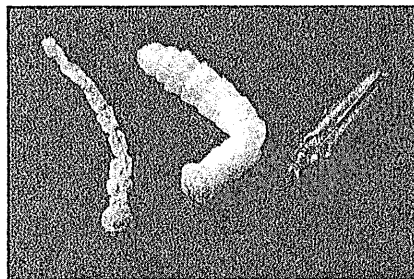
By MATT HONGOLTZ-HETLING  
Valley News Staff Writer

ORANGE — Even as they expressed cautious optimism that Vermont's latest invasive beetle is confined today to four towns, state and federal wildlife officials are feeling pressure to make a decision about quarantines that could have a major impact on Windsor County's valuable stock of ash trees.

In March, teams of state and federal staffers documented Vermont's first-known infestation of the emerald ash borer in four communities spanning three counties — Groton in Caledonia County; Barre and Plainfield in Washington County; and Orange in Orange County.

Now, two options are on the table as the pests threaten to emerge in a cool late spring: either a three-county quarantine or a statewide quarantine, each with different potential impacts on loggers and the public at large.

State entomologist Judy Rosovsky said on



Wednesday that the destructive bugs, which have been found in 32 states, do most of their damage as larvae. While living beneath the bark, the larvae girdle their ash tree hosts, typically killing them in three to five years.

But the region is rapidly approaching the time when the fully developed ash borers emerge and

JAMES M. PATTERSON

The life cycle of an emerald ash borer lasts between one to two years beginning with eggs being laid on ash tree bark from June to August. The larvae, left, feed on the cambium layer of the tree and spend the winter in the pre-pupal stage, middle, before pupating in spring and emerging as mature insects, right, in May. Over about five years, an infected tree will weaken and die from larvae having eaten away the layer of tissue that transports nutrients.

take flight. The airborne adults can leapfrog from tree to tree, expanding the population's range naturally by about one to two miles per year.

"We say flight season starts May 1. But it's been cold," Rosovsky said. "They probably won't start emerging for another couple of weeks."

After more than a month, scientists have com-

SEE QUARANTINE — A8



# Quarantines Possible as Vermont Evaluates Ash Borer's Impact on Counties

CONTINUED FROM PAGE A1

he boundaries of the ash borer by walking the edges of known infested areas, as well as running down reports of public sightings made by phone and through the state website vtinvasives.org.

While the presence of the ash borer truly can't be ruled out anywhere, Rosovsky said, the known infested area is confined to a single contiguous block across three Vermont counties. It is about five miles long from east to west, and three miles north to south, she said.

Because humans carrying infested wood unwittingly can spread the pest, officials are eager to get a quarantine in place before the adults show themselves.

One option is the three-county quarantine, which would make the movement of ash trees out of those counties more difficult for loggers. It also would add a layer of protection to ash trees in Windsor County and other Vermont counties that fall outside of the existing area of infestation.

The second option, a statewide quarantine, would allow for ash wood to be transported freely throughout the state and across state lines into neighboring statewide quarantine zones in New York and Massachusetts. That



would make things easier for loggers in infested areas, but could hasten the spread of the ash borer throughout Vermont.

"In either one, there's going to be economic loss for someone," Rosovsky said.

Under state statute, the decision ultimately falls on the shoulders of two men, Vermont Secretary of Agriculture Anson Tebbetts and Commissioner Michael Snyder of the Department of Forests, Parks, and Recreation. But they likely will base their decisions on the recommendations of the Forest Pest Advi-

sory Committee, which has representation from their agencies, the Vermont Agency of Natural Resources and the federal USDA Animal and Plant Health and Inspection Service.

That committee of nine met for two-and-a-half hours in Berlin, Vt., on Wednesday morning, discussing the pros and cons of the two types of quarantines, according to Rosovsky. It is up to the committee to advise Tebbetts and Snyder on possible next steps.

New Hampshire, which discovered the emerald ash borer several years ago, has quarantined by county in an effort to protect their

ash trees, much of which are concentrated in Grafton County, where the insect has not been detected.

"If we (quarantined county by county), we would be trying to protect our southern ash, mainly in Windsor County," Rosovsky said.

A statewide quarantine could be implemented with voluntary agreements from loggers to use best practices (such as using enclosed trucks) when transporting ash out of quarantined areas and through the rest of Vermont, she said.

Prized as the raw material for things such as furniture, bats and bows, ash trees are more prevalent in the county's forests than in other areas of the state, according to Windsor County Forester A.J. Follensbee.

"It's a pretty important tree," he said on Wednesday.

Throughout the county, ash makes up about 7 percent of the total tree count, and in some areas, it comprises as much as 30 percent of harvestable stands.

"It's valuable," said Follensbee, in part because the emerald ash borer has significantly reduced the supply, driving up the market value of the wood.

Loggers and foresters alike have expressed concern about the presence of the ash borer, and how a quarantine might impact their decisions. Follensbee said he's received a flurry of calls from landowners who have found sickly looking ash trees on their property and expressed concern that it might be the ash borer.

"That's good," he said, noting that he has yet to document an infested ash in Windsor County. "We want to get those calls."

Though Follensbee said a county-by-county quarantine does save Windsor and some other counties from exposure to the ash borer, he expressed confidence in the ability of officials to make the best decision for the state.

He said he expected that ash trees in the northern parts of Windsor County might have to be harvested within the next five to 10 years, while those in the southern parts have more time — unless humans accelerate the spread with infested firewood or cut ash.

Another factor that could depress the price of ash trees is a recent decision by China, which buys a lot of

New England's wood, to require U.S.-sourced wood to be debarked and fumigated.

"That presents problems, particularly to the ash industry," said Rosovsky, in part because the quality of ash deteriorates as it dries out, and in part because there are only a couple of fumigation facilities in the Northeast.

A decision about which type of quarantine to implement is expected to be made sometime next week.

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